
HOUSE CONCURRENT RESOLUTION 4439

State of Washington 52nd Legislature 1992 Regular Session

By Representatives Spanel, McLean, Hine and D. Sommers

Read first time 03/10/92. Referred to Committee on Rules Review.

1 WHEREAS, Most political subdivision employees in the state of
2 Washington, except for those employed by the cities of Seattle,
3 Spokane, and Tacoma, are covered by the Public Employees' Retirement
4 System; and

5 WHEREAS, The Legislature has taken action in the past to
6 consolidate political subdivision employees into the Public Employees'
7 Retirement System, such as the merging of the State-wide City
8 Employees' Retirement System into the Public Employees' Retirement
9 System in 1971; and

10 WHEREAS, The Legislature has also taken action in the past to
11 promote the portability of state-administered retirement benefits; and

12 WHEREAS, Hundreds of millions of dollars in liabilities were
13 transferred from underfunded political subdivision pension systems to
14 the state when the Law Enforcement Officers' and Fire Fighters'
15 Retirement System was created in 1970; and

1 WHEREAS, Small pension systems tend to have higher administrative
2 costs and it can be difficult to audit or enforce funding standards for
3 these small systems; and

4 WHEREAS, Some newly created special districts, towns, and cities
5 have expressed interest in creating their own pension plans for their
6 employees rather than in joining the Public Employees' Retirement
7 System; and

8 WHEREAS, Some newly created political subdivisions have faced large
9 costs for providing credit for past service if they decided to join the
10 Public Employees' Retirement System; and

11 WHEREAS, Current statutes are not clear regarding whether political
12 subdivisions must be employers in the Public Employees' Retirement
13 System, and do not clearly provide other alternatives for providing
14 retirement benefits to employees;

15 NOW, THEREFORE, BE IT RESOLVED, By the House of Representatives of
16 the State of Washington, the Senate concurring, That the Joint
17 Committee on Pension Policy is hereby requested to study the issues of
18 whether political subdivisions, other than Seattle, Spokane, and
19 Tacoma, ought to be required to cover their employees in the Public
20 Employees' Retirement System, whether political subdivisions should be
21 permitted to cover their employees in separate defined contribution or
22 defined benefit pension systems, and whether political subdivisions
23 should be required to provide retirement benefits that are portable;
24 and

25 BE IT FURTHER RESOLVED, That the Joint Committee on Pension Policy
26 be requested to prepare a report, and if appropriate, proposed
27 legislation with an effective date of January 1, 1992, for introduction
28 during the 1993 legislative session.